

The Moral Case For Indigenous Capitalism

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Let me first acknowledge the traditional owners of this land. To all of our friends here today, I bring warmest greetings from our people in Cape York Peninsula.

The focus of my address this morning has changed from the abstract set out in the program. I will talk about the future directions that we are charting for our people in Cape York. The title of my address is “The moral case for indigenous capitalism”.

Australians used to talk about "smoothing the dying pillow of the Aboriginal race". The racism of that idea has been thrown on history's scrap heap, but the underlying pessimism of that attitude survived in a strange way. Most people who accepted us as equals in principle, still didn't expect any solution to our endemic problems. Least of all a solution worked out by indigenous people.

Personally I have always been working in the real economy and have had real jobs. I worked at the Comalco bauxite mine at Weipa for 26 years. During my working life I held strong convictions about the unjust situation of my people, but my life was driving cranes and working with my hands. My first experience of leadership was when I was asked to lead the CFMEU during its industrial confrontation with Rio Tinto at Weipa over individual contracts in 1996. My working life in the union taught me the strength that comes from unity: it is a value that I find to be so terribly important, and yet so needed, in the indigenous struggle.

It was during my CFMEU leadership days that I travelled to Burketown in 1985 to support the Waanyi People and the Carpentaria Land Council and their fearless, young leader, Murrandoo Yanner, in their struggle over the Century Mine. In Burketown I lost my leg and almost lost my life when I was deliberately run over by a vehicle. The man responsible was convicted for attempted murder. For me, that Burketown street was my own road to Damascus: because after my recovery I took up the great privilege of working for my people with the Cape York Land Council. I was not involved in the formation of the organisation that I now lead. Like I said, my life hitherto had been working in the mines. But from the very beginning I was conscious of the fact that it was our Elders who had formed the Cape York Land Council as a political vehicle for justice for our people. I consider it a sacred responsibility and the greatest privilege.

But my point is that, for all of my life, I have worked. I grew up in a family where my father left us in no doubt about the value of work. I grew up in an environment where work was not considered a burden – but absolutely necessary if one is to have a vigorous and fulfilling life. I know that the great majority of indigenous families around us at the time in the 1960s, had those same values.

Today I belong to a people that is by and large irrelevant to the nation's future. No one has any great expectations of our people – we as a people are by definition, a problem.

Some people will say that I am an idealist when I talk about inspired leadership. That I give the privileged classes an opportunity to dodge their responsibility. We must remove Aboriginal disadvantage with improved service delivery, progressive people say. But I maintain that having high expectations of somebody is the greatest service that can be done to him or her. And a lack of expectation kills.

I hope I don't sound like a "motivational speaker" who believes that a change in attitudes will lead to quick results. Let me be the first to say that we in Cape York are a long way from acting on the vision we have for our people's future. Like indigenous groups across the continent, we start from a low base. Our people are mired in social dysfunction and economically we are neck deep in dependency.

I also want to stress that we still demand our economic and cultural rights. Our vision include the following two ideas:

Firstly, we have an inalienable right, as one of the two peoples in this country, to take our rightful place in the social and economic life of this country. We reject any right to dependency. We have the right to economic independence as far as active citizens in our society can be independent and responsible for their own destiny.

Secondly, we want our children to be bicultural, and bi- and multilingual. We want to retain our cultural heritage in its fullest vitality, whilst at the same time being fully educated and engaged in the opportunities of the wider world.

This is an ambitious vision. But ambitious it must be. It would not seem so ambitious if our people were functional. After all it is quite normal for people in Europe to speak more than one language. Why should we submit to the miserable idea that our children must choose between assimilation and retaining their culture, between their own language and English? Why could not our children flourish in two worlds and move with facility and creativity between them?

It is our determination to refuse to bend to the fatalism and second-rate expectations of those who believe that the cultural dilemmas facing our people as hunter-gatherers living in a radically opened-up world can't be resolved.

I reminded some of our people the other week at the Indigenous Enterprise Summit in Canberra that we are not fatalistic about our many indigenous footballers in the Australian Football League or the National Rugby League being unable to compete on the same playing field as others. We do not have second-rate expectations of our athletes. We do not expect Patrick Johnson's sub 10 second Australian record to be the result of an indigenous discount in the length of the track. Rather we know our people must and can compete.

But when it comes to education and economic participation, we don't have the same ambition and expectation of the capacity of our people that we have for our achievements in sports and the arts. Our young people thrive in competition, discipline and high expectation - be it artistic or athletic - but in education, employment and enterprise we nurture a culture of low expectation and excuse-making, which really betrays a lack of belief in ourselves and our own people.

This pessimism, this lack of belief, this resignation, is a culture amongst our people and in the wider Australian culture. It is reinforced and perpetuated by our own people and the wider society. It infects the expectations of the whites and the outlook of the blacks.

This culture is so pervasive and powerful that it convinces our people that economic participation and wealth creation is not for our people. It amounts to a fatal conclusion: capitalism and black fellas are mutually exclusive to each other. And worse than that: the idea that the cultural challenges facing our people's participation in market society represent cultural contradictions that are insurmountable. We should just resign ourselves to welfare dependency, because we can never develop economically and keep our identity and culture.

To change this thinking is what our work in Cape York is all about. It is this outlook that we utterly reject in Cape York Peninsula.

We do not believe that there is any fatal contradiction between our culture and identity as an indigenous people and the development of a real economy. Indeed we argue that the greatest threat to the long-term survival of our culture is our passive welfare economic condition. It is our situation of dependency which is breaking down our social fabric, and this social breakdown is resulting in the loss of our languages and our culture. The cultural traditions of socially dysfunctional people will not last long in this world - they will soon pass away. Cultural survival therefore makes economic development urgent and necessary.

This is not to say that we do not acknowledge enormous challenges facing our people in confronting economic development in the modern world in which we hunter-gatherers now find ourselves. We are keenly aware of them. We know that we must find solutions to these real challenges, problems and dilemmas. This morning I will discuss some of these fundamental barriers to enterprise and economic development facing our people, and I will outline some of the strategies that we are in the process of developing in response to these realities.

Indigenous dysfunction has increased in a way that can't be explained by dispossession and lack of funding. There has been an explosion of passive welfare and substance abuse epidemics. Noel Pearson wrote recently that for the last three and a half decades, we have blindly made one decision after another that fuels those fires. Many of those new factors, such as welfare entitlements and the right to drink are unavoidable if we remove discrimination, as Bill Jonas pointed out.

But we have failed to develop a regional indigenous leadership that could meet this challenge. Progressive white people correctly supported our rights but also failed to see the emerging disaster. Improved service delivery with indigenous participation will not be enough when the hurricanes of substance abuse and passive welfare dependency are turning our communities upside down.

The first step towards restoring social order is to acknowledge that it is not enough to "work in partnerships with communities" and improve service delivery by taking a "co-ordinated, whole-of-government, holistic approach to service delivery".

Mainstream society is so strong so it can provide services for addicts and other dysfunctional people without a long-term strategy. The economically and socially functional majority is

sufficiently large. And in spite of scandals, political and corporate leaders are by and large honest.

But in indigenous communities, the policy must be to be biased in favour of the struggling groups of functional community members – who are mainly elders, women and sober people – and to be determined in our resistance against abusive behaviour. We have to acknowledge that our vulnerability has attracted non-indigenous parasites. Imagine living in a community where the White Council Clerk is convicted of producing illicit drugs – and is not sacked after his conviction? We have to face up the fact that there is an Aboriginal industry that is dependent on the continuation of our dysfunction.

But in spite of the points that Noel Pearson has been making about passive welfare, there is too little discussion about these threats that I have mentioned. It is true that "the Aboriginal industry" is a common expression, but I think it is regarded as being the property of the assimilationists of the political Right.

Members of the Bennelong Society have suggested large-scale migration to cities and large towns. It is true that many nations have experienced mass emigration. However, I don't think that it is realistic to expect an entire people to leave their homes. How could we survive such a collective heartbreak?

Noel has been talking about the concept of our young people going on "orbits": leaving their home base to get an education, pursue a career, promote their art and develop their talents – but always returning home to their people and their spiritual base. Our young people in Cape York people can embark upon orbits of their own choosing – according to their own talents, interests and desire. Education enables people to succeed at home and in the wider world, and will allow people to return home regularly.

Let me now turn to the barriers to economic enterprise by our people.

Our goal in Cape York, to move Aboriginal families and communities beyond passive welfare dependency and to develop a real economy for our people, is not the first attempt. Ever since our people were gathered together into missions in the late nineteenth and early twentieth century, missionaries and governments after them made many attempts to develop enterprises that could make communities self-reliant or at least to supplement their livelihoods.

For more than 100 years numerous enterprise endeavours were tried. Some were successful for a time, many struggled, many more failed. Whilst communities operate some enterprises, - the fact is that our people in Cape York are more dependent today than they were during the Aboriginal Reserve days.

Enterprise attempts in the early days faced almost impossible odds: limited or no access to land, poor land, discrimination in the wider community, poor education, discriminatory control by government, in short complete dispossession.

Whilst many of the old impediments still remain, there are many more opportunities available to our people today. These opportunities began to open up after citizenship and there was more focus on our problems by government and the wider community. This was also the time when

passive welfare provisioning became the predominant government response to our social and economic marginalisation.

Our people have failed to gain work experience and skills. Whilst the CDEP counteracted some of the effects of our passive welfare dependency - this has not been the same as real jobs in the real economy. So many of our young people have little experience of work in the mainstream and they lack skills, confidence and the habits necessary to take and keep jobs.

Enterprises, large and small, have proven very difficult to develop and sustain. Whilst many enterprises have failed, many more have not been able to get off the ground. Even obvious and straightforward enterprises cannot get started.

In my address this morning I will briefly identify those key factors that impede Aboriginal enterprise development. Our governance, ownership and decision-making structures are a barrier.

Governance, ownership and decision-making structures

Failure to sort out ownership is a frequent reason for enterprise failure. In the wider community, people who have a business idea and the means to develop their idea can develop their own enterprise at their own initiative. It is not as straightforward in Aboriginal communities.

This is because Aboriginal people are invariably members of wider family groups and communities, and individuals are not completely free to undertake private enterprise. Many assets like land are not capable of being privately owned by individuals – they are communally held. Similarly, opportunities are frequently seen as communal assets - belonging to clan groups or to communities, not to individuals.

There is therefore a frequently unresolved tension between private enterprise and communal assets and opportunities. This often results in privately owned enterprises being resented or opposed by community members or organisations.

It results in many enterprise opportunities not being developed because of disputation or opposition on the grounds that the opportunity that is proposed to be taken up "belongs to the community, not to the private individual".

The usual and least controversial approach to enterprise development is for the community to own enterprises for the benefit of all members. But countless community-owned enterprises have failed.

There are enterprises which are successfully owned and operated by communities: such as supermarkets, canteens and service stations. However many community-owned enterprises have failed because, at the end of the day, no-one took responsibility for them and the necessary effort, diligence and extra necessary work was not put into them.

One of the reasons for the frequent failure of enterprises is the lack of incentive arising from the ownership of the enterprise. Insufficient thought is given to incentive and reward when Aboriginal community enterprises are conceived.

There are many failed enterprises owned and operated on behalf of a community, which are likely to have succeeded if they were privately owned. Community ownership will be appropriate with some enterprises, however, where there has been perennial failure in certain enterprises - it is likely that the lack of incentive explains the failure.

The point is to ensure that in planning enterprises in Aboriginal communities, the issues of incentive and reward need to be properly analysed. In this respect, Aboriginal enterprises differ little to mainstream enterprises - incentive is still a key ingredient to motivation and success.

Cultural match

There is a lot of talk nowadays about the need for "cultural match" in indigenous governance, that is that the structures should match the cultural arrangements and realities of indigenous groups if they are to be successful. There is no doubt much truth in this.

However, I would temper the idea that our governance structures must be made to suit our social and cultural arrangements. In relation to business organisation, we must also ensure that our governance structures suit successful enterprise operation and management. Indigenous social and cultural imperatives often result in the creation of decision-making and ownership structures that make enterprise ownership and management inefficient, unwieldy, impossible. In fact I am prepared to argue that the overwhelming majority of indigenous enterprise structures are unsuited to successful business – and are completely unrealistic about commercial realities.

Indigenous decision-making structures are about social and political representation, whereas optimum business decision-making should be about expertise, experience, knowledge and talent.

Indigenous groups contemplating enterprise find it hard to face up to the business realities concerning decision-making and management – and therefore develop community governing structures instead of business-oriented structures.

There are two solutions to this issue. Firstly, we must separate ownership from management, so that even if a group or community is the ultimate owner of an enterprise – the management structure is established along business lines. In this way we let the best damper-makers operate in the kitchen and we stay out of their way. Too many cooks in the kitchen...leave the experts to make the damper, the rest of us can work out how to cut it up after the cooks have made the bloody thing. But the way we do it at the moment – we're fighting over the damper even before we got any flour.

Secondly, we must be prepared to recognise talent, experience, education, skills and passion - rather than political and cultural considerations - when we select those who are charged with the management of our enterprises. This is about getting the best people as directors to run your business. It also means that external directors who are independent and disinterested should be attracted onto the boards of indigenous enterprises. We have to support and trust our young, educated people!

The point is that we should separate functions so that we make wealth like white fellas, but we distribute wealth like blackfellas.

The best example of an optimum enterprise-owning structure is the Morr Morr Cattle Company – formerly called Delta Downs – near Normanton in the Gulf of Carpentaria. Since this property was purchased by the ADC in the 1980s it has operated as a successful enterprise. It is in fact one of the few profitable indigenous-owned cattle enterprises in the country. The key to their success in my view lies in their creation of an enterprise structure where the board of directors consisted of people with expertise and experience in running a cattle business. They have separated the landowning community structure from the enterprise operation structure. And the enterprise structure has always had independent directors whose function is not cultural but commercial.

This brings me to the underlying caution that I have about making families respectable in indigenous policy.

Strong families, therefore strong communities

Families have been largely overlooked in Aboriginal policy. Whilst the extended families of traditional Aboriginal society are viewed positively, more often families, in Aboriginal communities conjure up images of organisational nepotism and family disputation and rivalry in community politics. This family versus that family.

The transformation of families from a positive to a negative image, is a recent thing in Cape York. Like elsewhere in Australia, Cape York communities have experienced a trend towards rivalry, negativity and the breakdown of social trust.

As the intensity of community politics has risen in recent years – especially when we took over the management of our own organisations and affairs with self-management – families, have gained more and more pejorative connotations. Families are associated with bias, unfairness, blind loyalty and corruption.

However, these well-known problems with family politics in Aboriginal communities should not lead us to the view that families are hopelessly problematic. Rather we should look to the problems that arise from an approach to governance in Aboriginal society that has an overwhelming emphasis on communities, and no recognition of families.

The communist conception of Aboriginal society that dominated Aboriginal affairs policy in the past, was simplistic and wrong. It flattened Aboriginal society into a uniform community of people - like inmates of an institution. The community became the sole focus of formal policy and family motivations became increasingly illegitimate.

Furthermore, with the transition to self-management, resources were granted by government to, and came to be controlled by, community structures, principally the Community Councils. These community structures came to be the distributor of the great proportion of the resources and opportunities available to community members. Governments transferred resources through grant funding to these community structures. Great pressure was brought to bear on family members in positions of responsibility to prefer family members. Community leaders were said to be torn between community responsibility and family obligation which were at odds with each

other. Disputation between families increased and the politicking around community structures has grown to torrid levels.

Most tellingly, the word “nepotism”, entered into the language of community politics very early in the self-management process.

Today the family politicking and distrust focused on community structures is one of the most debilitating features of community governance.

There is a dysfunctional relationship between family and community when the sole focus of policy is on the mechanisms of community. Under the current system, successful community requires an unnatural suppression of family - and this has not led to successful community. It has in fact turned family responsibility into family selfishness and chauvinism.

We must restore families and extended families as the primary unit for responsibility, initiative, self-help and social recovery. Health, education and long, productive indigenous lives will have their starting place in strong families that are free from addictions and passive welfare.

Our culture as a barrier

In relation to Aboriginal economic development there is frequent reference to the need for "culturally appropriate" enterprises and ways of conducting enterprises. It is never clear what is meant, however.

Firstly, how "culturally appropriate" can enterprise be made to be? Secondly, are there requirements of enterprise development which are culturally universal - in that Aboriginal enterprise cannot avoid these requirements if they are to be successful?

Now is not the time to resolve these questions. It is enough to recognise that "culture" is frequently cited as a reason why enterprises need to be approached differently in Aboriginal communities - and why Aboriginal enterprises do not succeed.

The fact is that we now live in a market economy where the people with whom we coexist and deal with daily, make their livelihoods and accumulate wealth through enterprises. The goods and services we utilise in our daily lives are provided by enterprises owned by other people.

This means that whilst, for cultural reasons, enterprise development may seem foreign to our people - we are clearly a part of it. But we are part of it as passive customers: we contribute our resources to the livelihoods and the accumulation of wealth by other people, and we seem unable to do it ourselves. Let me put it simply: we're busy making everybody else rich, and we remain poor.

Dilemmas of private ownership

Private enterprise presents significant dilemmas to Aboriginal people. These dilemmas include:

- The concern that individual entrepreneurs with access to finance, with skills, connections and so on, can easily come to monopolise all of the available enterprise opportunities

within a community - there being a limit to the enterprises which the community economy can sustain

- The concern that key assets and resources (particularly land) are communally owned and should not be "privatised" or exploited by an individual or a subgroup of the community, for their exclusive profit
- The concern that Aboriginal economic development should result in community benefit and uplift, not just of those who own private enterprises
- The resulting concern that classes will be created within communities, where some people have opportunities and gain benefits from enterprises, whilst others have no opportunities

These are significant barriers to private enterprise development. These barriers are not just manifested in the policy and political difficulties involved in developing private enterprise within communities – the barriers are psychological and cultural, in the sense that there is an undercurrent of suspicion and misgivings in relation to private enterprise within our Aboriginal communities, and frequently a belief that it is foreign to our culture and society.

One does not need to deny that these dilemmas are real in order to also make the observation that it results in our people being unable to operate enterprises – whilst other people are. Indeed we seem to have no problems utilising private enterprises that are owned by strangers – but our own people cannot own and provide these same services through their own enterprises. It is a situation which condemns us to allowing others to profit from opportunities within or involving our communities, but not our own people. It is a situation which we must confront.

Conclusion

What I have sought to outline today is the political case for enterprise development in indigenous Cape York. But it is not just a political case, we must make the moral case - if not for capitalism, then for involvement in the wealth creation process. The existence of capitalism is something we can do nothing about. The morality of this fact is a useless thing to consider. What we have to do is face up the reality that we live in a market society and economy, and we are located at the most miserable bottom end of it. What is a moral question is whether we are participating and gaining a fair share from the market society and economy in which we live. Therefore there is, to our way of thinking in Cape York, a moral case to be made for indigenous engagement in enterprise and wealth creation for our people.

Whatever dilemmas and problems enterprise development present to our people, we must face the fact that unless we succeed with enterprise development, our people will be trapped in impoverishment and dependency.

So let me summarise what we in Cape York think is needed in our future direction.

Firstly, we must make families respectable again and throw off the shackles of the gulag concept of community that has developed in indigenous policy.

Secondly, we must make wealth-creation and wealth-participation respectable amongst our people. Impoverished and dependent people will never be able to keep their culture, language and identity as a distinct people in the long term. Instead they will continue the decline into social dysfunction and cultural poverty.

Thankyou.